

The audit identified one obligation with a compliance rating of 1, 2 or 3 which therefore requires defined action to resolve. The audit also identified a number of opportunities for improvement. Proposed action, responsibility and due dates for completion are provided for the non-compliance and some of the opportunities for improvement in the tables below.

Mandatory Actions

| Reference Item | Requirement | Audit Priority | Compliance Rating | Auditor Recommendation | Proposed Action |
|----------------|---|----------------|-------------------|---|--|
| 85 | <p><i>Electricity Industry Act section 17(1)</i></p> <p>A Licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence.</p> | 1 | 2 | Develop a compliance manual and scheduled reviews. Arrange and track expedited payment to ensure payment on time in future. | <p>Develop a compliance manual. Schedule reviews on a quarterly basis. Manual to include a note to arrange "Critical Payment Request" for electrical licence invoices.</p> <p>Responsible: Asset manager Target Date: Complete</p> <p>Process application to amend the payment terms in the Master Data Record for account payable from standard 30 days to a few days for payments to the Economic Regulation Authority</p> <p>Responsible: Asset manager Target Date: Complete</p> |

Non Mandatory Actions – target commitments

| Reference Item | Requirement | Audit Priority | Compliance Rating | Auditor Recommendation | Proposed Action |
|----------------|---|----------------|-------------------|--|---|
| 103 | <p><i>Distribution Licence condition 15.2</i></p> <p>A Licensee must amend the asset management system before an expansion or reduction in generating works, distribution systems and transmission systems and notify the Authority in the manner prescribed, if the expansion or reduction is not provided for in the asset management system.</p> | 1 | NR | The Licensee should advise the Authority and pay the requisite fee to amend the Licence to remove Mt Keith from the Licence if a provision for expansion is not likely to be needed. | <p>For internal consideration and assessment of licence area.</p> <p>Responsible: Asset manager Target Date: 30/06/2011</p> |

| Reference Item | Requirement | Audit Priority | Compliance Rating | Auditor Recommendation | Proposed Action |
|----------------|--|----------------|-------------------|--|--|
| 304 | <i>Electricity Industry Metering Code 3.3(1)</i> An interval meter must at least have an interface to allow the interval energy data to be downloaded in the manner prescribed using an interface compatible with the requirements specified in the applicable metrology procedure. | 4 | 4 | Development of a general metrology procedure for inclusion in or attachment to future Power Purchase Agreements. (Non mandatory recommendation Audit Guidelines 11.9). | Document a general metrology procedure. Responsible: Asset manager Target Date: 31/12/2010 |
| 308 | <i>Electricity Industry Metering Code 3.5(4)</i> A network operator must ensure that, except for a Type 7 metering installation, the metering point for a revenue metering installation is located as close as practicable to the connection point in accordance with good electricity industry practice. | 4 | 4 | Opportunity for improvement: Consider moving the meter installation closer to the connection point if a suitable opportunity arises.(Non mandatory recommendation Audit Guidelines 11.9) | No defined action. Installations to be considered and assessed as opportunities arise. Reminder to assess opportunities has been included in the compliance handbook to identify such opportunities on a quarterly basis. Responsible: Asset manager Target Date: Complete |
| 313 | <i>Electricity Industry Metering Code 3.9(3)</i> Each metering installation must meet at least the requirements for that type of metering installation specified in Table 3 in Appendix 1 of the Code.. | 1 | 4 | The remaining meters should be calibrated at a time when the customers can arrange load (where possible) and clock rates checked. (Non mandatory recommendation – Audit guidelines 11.9) | Arrange further testing where possible Responsible: Asset manager/Electrical Supervisor Target Date: 31/03/2011 |
| 316 | <i>Electricity Industry Metering Code 3.10</i> A network operator must ensure that any programmable settings within any of its metering installations, data loggers or peripheral devices, that may affect the resolution of displayed or stored data, meet the relevant requirements specified in the applicable metrology procedure and comply with any applicable specifications or guidelines specified by the National Measurement Institute under the National Measurement Act. | 4 | 4 | A general metrology procedure should be developed before any new customers are supplied. (Non mandatory recommendation Audit Guidelines 11.9). | Document a general metrology procedure. Responsible: Asset manager Target Date: 31/12/2010 |
| 320 | <i>Electricity Industry Metering Code 3.12(1)</i> A network operator must ensure that each metering installation complies with, at least, the prescribed design requirements. | 1 | 4 | Opportunity for improvement is to improve technical content of drawings or cross reference other drawings with the required content. Develop a compliance manual with scheduled quarterly reviews. (Non mandatory recommendation –Audit Guidelines 11.9) | Engage personnel to undertake further review to assess and mark up drawings. Responsible: Asset manager/Electrical Supervisor Target Date: 31/03/2011 |

| Reference Item | Requirement | Audit Priority | Compliance Rating | Auditor Recommendation | Proposed Action |
|----------------|---|----------------|-------------------|--|--|
| 322 | <i>Electricity Industry Metering Code 3.12(3)</i> A network operator must provide isolation facilities, to the standard of good electricity industry practice, to facilitate testing and calibration of the metering installation | 4 | 4 | Consider upgrading the meter installation to an improved standard if a suitable opportunity arises (Non mandatory recommendation Audit Guidelines 11.9) | Arrange contractor to install isolation facilities and as build drawings. Responsible: Asset manager/Electrical Supervisor Target Date: 31/03/2011 |
| 323 | <i>Electricity Industry Metering Code 3.12(4)</i> A network operator must maintain drawings and supporting information, to the standard of good electricity industry practice, detailing the metering installation for maintenance and auditing purposes. | 1 | 4 | The Licensee could improve the technical content of metering drawings or cross reference other drawings to meet good electricity industry practice. (Non mandatory recommendation Audit Guidelines 11.9) | Engage personnel to undertake further review to assess and mark up drawings. Responsible: Asset manager/Electrical Supervisor Target Date: 31/06/2011 |
| 419 | <i>Electricity Industry Metering Code 7.2(2)</i> A network operator must notify each Code participant of its initial contact details and of any change to its contact details at least 3 business days before the change takes effect. | 1 | NR | A process should be put in place to advise users before changes in contact details occur. Suggest that this is achieved by being included in a compliance handbook with scheduled quarterly reviews. | Include requirement to assess need for change of address notifications in the next 3 months in the licence compliance handbook. Responsible: Asset manager Target Date: Complete |
| 429 | <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 5(1)</i> A distributor or transmitter must, as far as reasonably practicable, ensure that electricity supply to a customer's electrical installations complies with prescribed standards. | 1 | 5 | Non mandatory action is to schedule surveys in SAP planning system. | Schedule quality of supply surveys in 1SAP. Responsible: Maintenance planners Target Date: 31/10/2010 |

End of Report